Michigan Lodging and Tourism
A S S O C I A T I O N

Testimony regarding HB 5193

My name is Steve Yencich and I'm President/CEO of the Michigan Lodging and Tourism Association. I'm here to testify against passage of HB 5193.

Taken in its simplest form, this legislation expedites the waiver process by which school districts can avoid the requirement to start school after Labor Day. In doing so, it will exponentially increase the number of schools seeking to waive the post Labor Day school mandate.

As a result, we believe that HB 5193 represents the defacto repeal of that statute and will thereby do great harm to Michigan's lodging and tourism industries.

It also governs against the will of Michigan voters and families who have consistently indicated overwhelming support for starting schools after Labor Day.

MLTA has polled voters on this issue for almost twenty years and voter support of this requirement has been as strong, as it's been consistent. I draw your attention to our most recent poll from August of last year. As in years past, that poll found

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overwhelming support for this law. We've provided you a summary of our August 2015 poll which found the following:

- 72% of Michigan voters support post Labor Day Schools.

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- Even when Labor Day falls on September 7th, a landslide majority of 64% support the existing statute.

- Most relevant to the current debate on this issue, the poll found voters prefer to take family vacations in August by six points over July.

- I also draw your attention to the fact that 52% of Michigan voters "strongly support" post Labor Day schools, while only 9% of voters strongly oppose this statute.

If you look at the poll's crosstabs, you'll see that passage of HB 5193 would be in direct opposition to the desires of Republican, Democrat and Independent Michigan voters across the state.

But there are other, equally important reasons our industry opposes HB 5193 and its defacto repeal of the post Labor Day schools (PLDS) statute. I draw your attention to the final page of our testimony.

These are a summary of statewide occupancy levels compiled by Smith Travel Research. These charts make several key points that should be considered before you vote on this legislation, as follows:

- First, industry experts agree that hotel occupancy levels are a good overall barometer for total tourism outcomes. While some of my members may disagree, people don't go on vacation to stay in a hotel. They vacation to enjoy all the wonderful assets Pure Michigan offers and at the end of a day a hotel room simply represents a place to enjoy a good night's sleep. So the figures you see here are a direct reflection of total tourism outcomes for all Michigan destinations.

- It's important to note that Metro Detroit has between 39 and 41% of every hotel room in the state. When you add the number of rooms in Grand Rapids, Lansing and other urban centers, you'll realize that these results are heavily stilted towards metropolitan destinations. As such, this chart also proves that defacto repeal of PLDS will not only damage northern Michigan destinations. It will negatively affect urban centers and all geographic segments of Michigan's third largest industry.

- As you scan the chart you'll discover that July and all of August are the top two revenue-producing months for our entire industry. If schools start on August 14th, you've eliminated 25% of our top revenue producing months.

- Finally, I draw your attention to the impact that PLDS has had on the month of August, the favorite month for Michigan family vacations. Prior to the passage of the PLDS statute, July generated the highest revenues, but since its passage, August has consistently supplanted July as the top revenue producing month for all of tourism.

MLTA believes that defacto repeal of Michigan law requiring school to open after Labor Day is ill-advised. We believe passage of HB 5193 to be premature until a careful examination of its impact on tourism is conducted.

Michigan's tourism industry has many questions about the waiver process, and the standards by which each request is made. While we appreciate the efforts of the Chair and Co-chair of this committee to bring both sides together yesterday, we still have far more questions than answers.

Our industry generates over $19 billion in economic activity, produces a minimum of $1.4 billion in sales taxes alone to the State. We employ over 214,000 Michigan residents in every county in Michigan.

Business owners rely on qualified graduates of Michigan schools to fill these 214,000 positions. Schools rely on Michigan tourism businesses to generate the taxes that

provide the funds for their operation. It is vitally important that both ends of this equation be carefully weighed before action is taken to expedite the waiver process.

Because of the symbiotic relationship between education and business, MLTA does not oppose the concept of year-round schools. We simply oppose the concept of expediting the waiver process that would lead to the functional repeal of the PLDS statute without a careful examination of the economic and policy impact on Michigan tourism job providers, employees and families that all strongly support that statute.

MITCHELL

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Executive Field Copy
Likely November General Election Voters
Post Labor Day School Start
Conducted August 8-10-11, 2015
(N=1,075)

Introduction

Steve Yencich of the Michigan Lodging and Tourism association commissioned Mitchell Research & Communications to conduct of study of likely Michigan General Election Voters.

Goals of the study were as follows:

- Determine if voters support beginning school after Labor Day.
- Determine if voters support beginning of school after Labor Day when the holiday comes on September 8th
- Determine what summer month, June, July and August was the favorite month for vacationing.

On August 10-11, 2015, Mitchell Research & Communications, Inc. conducted a telephone survey of 1,075 likely voters in the 2016 General Election. The margin of error is + or − 2.99% at the 95% level of confidence.

After Labor Day School Start:

Thinking about schools: As a result of legislation passed a few years ago, <u>all</u> Michigan public school districts are required to begin the new school year <u>after</u> Labor Day instead of late August. Do you strongly support, somewhat support, somewhat oppose or strongly oppose the law that requires that <u>all</u> public school districts start <u>after</u> Labor Day?

Strongly support	52%	
Somewhat support	20	**72%**
Somewhat oppose	12	**21%**
Strongly oppose	9	
DK/Refused	7	

Age

	Support	Oppose	DK/Refused
Total	**72%**	**21%**	**12%**
18-39:	60%	27%	13%
40-49:	65	26	9
50-59:	73	20	7
60-69:	77	19	4
70+:	83	15	3

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Gender

	Support	Oppose	DK/Refused
Total	**72%**	**21%**	**7%**
Male:	67%	24%	9%
Female:	77	19	5

Race

	Support	Oppose	DK/Refused
Total	**72%**	**21%**	**7%**
White:	68%	24%	8%
African-American:	97	3	0

Party

	Support	Oppose	DK/Refused
Total	**72%**	**21%**	**7%**
Democrat:	83%	15%	3%
Republican:	67	26	7
Another Party:	40	10	50
Independent:	63	28	9

Area

	Support	Oppose	DK/Refused
Total	**72%**	**21%**	**7%**
Detroit:	100%	0%	0%
Wayne County:	76	19	5
Oakland County:	73	18	10
Macomb County:	71	23	6
Thumb:	71	27	3
Mid-Michigan:	57	20	10
West Michigan:	69	20	11
Northern MI/U.P.	80	21	0

15. Every few years, Labor Day falls as late as it can on the calendar, September 8th, which means schools will have to be in session later in June than they usually are. Knowing this, do you strongly favor, somewhat favor, somewhat oppose or strongly oppose the law that requires that all public school districts start after Labor Day? If you strongly support press 1, somewhat support press 2, somewhat oppose press 3, strongly oppose press 4, if you're not sure press 5.

Strongly support	41%	
Somewhat support	23	**64%**
Somewhat oppose	20	**29%**
Strongly oppose	9	
DK/Refused	7	

Age

	Support	Oppose	DK/Refused
Total	**64%**	**29%**	**7%**
18-39:	60%	27%	13%
40-49:	48	49	3
50-59:	66	23	12
60-69:	70	27	3
70+:	64	30	7

Gender

	Support	Oppose	DK/Refused
Total	**64%**	**29%**	**7%**
Male:	55%	34%	11%
Female:	72	25	3

Race

	Support	Oppose	DK/Refused
Total	**64%**	**29%**	**7%**
White:	66%	28%	6%
African-American:	52	38	11

Party

	Support	Oppose	DK/Refused
Total	**64%**	**29%**	**7%**
Democrat:	66%	29%	5%
Republican:	64	31	5
Another Party:	48	3	50
Independent:	62	32	6

Area

	Support	Oppose	DK/Refused
Total	**72%**	**21%**	**7%**
Detroit:	100%	0%	0%
Wayne County:	75	20	5
Oakland County:	39	44	17
Macomb County:	73	26	1
Thumb:	65	31	4
Mid-Michigan:	55	33	12
West Michigan:	68	27	5
Northern MI/U.P.	81	19	0

13. Whether or not you get to vacation in that month, what is your favorite month for a summer vacation, June, July, or August? If June press1, July press 2, August press 3, if you're not sure press 4.

June	15%
July	30
August	37
Not sure	18

Age	June	July	August	Not Sure
Total	15%	30%	37	18%
18-39:	19%	15%	41%	25%
40-49:	13	27	50	10
50-59:	13	38	37	12
60-69:	14	36	30	21
70+:	18	25	28	30

Gender	June	July	August	Not Sure
Total	15%	30%	37	18%
Male:	17%	23%	46%	15%
Female:	14%	36%	29%	22%

Race	June	July	August	Not Sure
Total	15%	30%	37	18%
White:	16%	31%	33%	21%
African-American:	10%	23%	62%	4%

Party	June	July	August	Not Sure
Total	15%	30%	37	18%
Democrat:	55%	42%	3%	
Republican:	47%	49%	5%	
Another Party:	54%	37%	9%	
Independent:	51%	42%	7%	

Area	June	July	August	Not Sure
Total	15%	30%	37	18%
Detroit:	66%	22%	12%	0%
Wayne County:	15%	44	25	16
Oakland County:	9%	18	59	14
Macomb County:	19	43	30	9
Thumb:	11	33	32	24
Mid-Michigan:	12	24	38	26
West Michigan:	16	27	33	24
Northern MI/U.P.	10	30	40	21

1. If you are a registered voter at the household we are calling please press 1. If you're not, press 2.

    Yes   100%

2. Thinking about the November 2014 General Election for U.S. Senate and Governor, if you are definitely voting press 1, probably voting press 2, not sure yet press 3, or definitely not voting press 4.

    Definitely voting   96%
    Probably Voting   2
    Not Sure Yet   2

Before statewide ballot questions, four quick questions for statistical purposes:

3. What is your age? If you are:

    18-39 press   13%
    40-49 press   22
    50-59 press   26
    60-69 press   20
    70 or older press   20

4. If you are a male press 1 or a female press 2.

    Male   46%
    Female   54

5. If you are white/Caucasian press 1, African-American press 2, Hispanic press 3, Asian or something   else press 4.

    White   82%
    African-American   15
    Hispanic   1
1   Asian other   1

6.   If you are a:

Democrat or lean Democrat press	43%
Republican or lean Republican press	38
Another party press	4
Or, Independent press	14

7.   You must answer the last question or none of your answers will count. What area do you live in?
       If you live in the:

City of Detroit press	4%
Wayne County outside of Detroit	11
Oakland County	21
Macomb County	9
Flint, Saginaw, Bay City, Thumb ---	12
Monroe, Washtenaw, Lansing, Jackson, Mid-Michigan ----------------	12
West Michigan	23
Northern Michigan/U.P.	8

Conclusions:

These data confirm that once again almost three-fourths of the voters in Michigan support starting school after Labor Day. This has been the case for the past three years. Almost two-thirds of the voters also support the post-Labor Day start even when the holiday falls on the latest possible day, September 8th, as it does this year.

Finally, June is the least favorite month for vacationing, only 15% would prefer vacationing then while 30% say July and 37% say August.   The only conclusion that can be drawn is that Michigan voters know that July and especially August are much better months for good weather and they don't want to end having a chance at late August vacations because school starts too early.

STR Global Summaries for MICHIGAN Lodging - 2004 to 2013

	2004 Occ %	2004 ADR $	2004 Rev PAR $	2005 Occ %	2005 ADR $	2005 Rev PAR $	2006 Occ %	2006 ADR $	2006 Rev PAR $	2007 Occ %	2007 ADR $	2007 Rev PAR $	2008 Occ %	2008 ADR $	2008 Rev PAR $
January	42.5	73.55	31.22	43.4	75.66	32.82	44.7	80.42	35.98	44.0	81.24	35.71	43.0	85.06	36.62
February	47.9	71.03	34.05	49.2	72.45	35.67	52.8	88.49	46.71	49.5	77.70	38.49	48.5	80.43	39.03
March	49.3	71.27	35.11	48.4	71.93	34.78	51.1	75.85	38.76	51.7	78.33	40.53	47.9	79.52	38.09
March YTD Avg	46.5	71.93	33.48	48.3	73.31	34.41	49.4	81.13	40.30	48.4	79.03	38.24	46.4	81.68	37.88
April	47.5	69.28	32.92	50.5	73.56	37.15	48.8	75.60	36.87	48.6	78.15	38.01	50.6	81.19	41.09
May	52.7	71.38	37.65	52.2	73.60	38.44	53.2	77.43	41.17	53.0	78.00	41.76	53.3	80.25	42.75
June	59.7	74.39	44.44	60.8	76.64	46.60	61.5	80.12	49.29	62.2	81.79	50.91	60.7	83.40	50.59
July	66.3	79.14	52.47	66.9	82.34	55.07	66.5	84.60	56.29	66.1	86.13	56.97	65.5	87.21	57.14
August	64.0	78.23	50.10	66.0	86.66	51.27	66.4	84.13	55.36	68.5	86.49	59.24	67.3	89.91	60.55
September	60.1	78.01	46.92	58.6	76.87	45.07	60.1	78.98	47.47	60.7	82.35	50.00	54.8	81.73	44.83
October	55.9	73.49	41.05	56.9	75.39	42.91	55.2	79.00	43.64	57.0	80.20	45.71	53.1	81.40	43.26
November	46.0	70.88	32.63	47.8	74.20	35.50	45.9	74.21	34.75	46.1	78.59	36.23	41.0	76.69	31.43
December	40.4	70.39	28.44	40.8	72.38	29.56	40.0	74.20	29.68	39.6	77.51	29.68	37.0	75.17	27.82
Annual Avg	52.8	73.96	39.08	53.5	76.01	40.70	53.9	79.24	42.73	54.0	81.14	43.73	52.0	82.57	42.95

	2009 Occ %	2009 ADR $	2009 Rev PAR $	2010 Occ %	2010 ADR $	2010 Rev PAR $	2011 Occ %	2011 ADR $	2011 Rev PAR $	2012 Occ %	2012 ADR $	2012 Rev PAR $	2013 Occ %	2013 ADR $	2013 Rev PAR $
January	37.7	79.73	30.03	38.4	74.86	28.73	43.0	77.69	33.39	43.8	80.04	35.08	45.7	84.29	38.56
February	43.4	76.74	33.31	45.1	73.90	33.31	49.3	75.97	37.49	50.3	78.77	39.61	51.9	82.14	42.62
March	42.7	74.77	31.94	44.8	73.06	32.75	49.9	76.09	34.00	52.0	77.35	40.21	51.6	80.85	41.68
March YTD Avg	41.2	76.55	31.49	42.7	74.00	31.58	47.4	76.53	36.28	48.6	78.61	38.21	49.6	82.38	40.89
April	44.6	79.64	35.56	46.9	74.38	35.01	49.6	76.55	37.99	51.2	78.74	40.35	53.1	82.54	43.85
May	46.2	77.38	35.78	49.6	75.69	37.73	54.0	77.80	42.01	56.0	81.06	45.37	57.2	85.87	49.15
June	54.9	79.76	43.77	58.2	77.96	45.45	62.8	81.01	50.87	66.8	85.53	57.12	65.6	89.29	58.56
July	59.3	84.07	49.88	66.0	84.26	55.54	69.7	87.43	60.92	70.9	91.74	65.07	71.3	95.81	68.30
August	59.7	83.81	50.05	67.7	84.26	57.21	70.4	87.19	61.40	71.7	91.64	65.71	72.3	94.81	68.35
September	53.1	78.69	41.81	56.3	77.20	43.43	62.7	82.11	51.51	63.6	84.21	53.57	62.1	88.01	54.66
October	50.4	76.43	38.55	46.1	74.57	34.31	58.4	80.34	47.73	60.5	83.92	50.80	60.3	87.52	52.78
November	41.5	73.30	30.42	40.1	73.23	29.42	48.9	77.20	38.52	50.6	80.29	40.62	52.1	83.56	43.49
December	36.4	71.26	25.97				41.7	74.36	30.99	42.7	78.36	33.48	45.6	83.24	37.96
Annual Avg	47.5	78.41	37.21	51.8	77.82	40.30	55.3	80.47	44.52	56.8	83.44	47.42	57.5	87.40	50.29

Source: STR Monthly Hotel Review

STR Global Summaries for MICHIGAN Lodging - 2014 to 2023

	2014 Occ %	2014 ADR $	2014 Rev PAR $	2015 Occ %	2015 ADR $	2015 Rev PAR $	2016 Occ %	2016 ADR $	2016 Rev PAR $	2017 Occ %	2017 ADR $	2017 Rev PAR $	2018 Occ %	2018 ADR $	2018 Rev PAR $
January	46.4	88.83	41.24	46.8	93.29	41.65									
February	53.0	85.62	45.39	53.3	88.88	47.41									
March	52.5	84.92	44.58	54.8	89.50	49.01									
March YTD Avg	50.6	86.41	43.69	51.6	90.49	46.76									
April	52.0	85.32	44.35												
May	59.1	90.39	53.38												
June	68.1	93.93	63.93												
July	72.6	99.78	72.47												
August	73.5	101.34	74.48												
September	65.7	93.38	61.33												
October	63.6	92.59	58.93												
November	51.0	87.39	44.56												
December	43.9	85.64	37.56												
Annual Avg	58.9	91.72	54.00												

	2019 Occ %	2019 ADR $	2019 Rev PAR $	2020 Occ %	2020 ADR $	2020 Rev PAR $	2021 Occ %	2021 ADR $	2021 Rev PAR $	2022 Occ %	2022 ADR $	2022 Rev PAR $	2023 Occ %	2023 ADR $	2023 Rev PAR $
January															
February															
March															
March YTD Avg															
April															
May															
June															
July															
August															
September															
October															
November															
December															
Annual Avg															

Source: STR Monthly Hotel Review